

State of Arizona  
Senate  
Fifty-fourth Legislature  
Second Regular Session  
2020

# **SB 1041**

Introduced by  
Senator Livingston

## **AN ACT**

AMENDING SECTION 20-281, ARIZONA REVISED STATUTES; AMENDING TITLE 20, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 28; PROVIDING FOR TRANSFERRING AND RENUMBERING; AMENDING SECTION 20-3503, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED; AMENDING TITLE 20, CHAPTER 28, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 20-3504, 20-3505, 20-3506, 20-3507 AND 20-3508; RELATING TO INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-281, Arizona Revised Statutes, is amended to  
3 read:

4 20-281. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Business entity" means any corporation, association,  
7 partnership, limited liability company, limited liability partnership or  
8 other legal entity except an individual or sole proprietorship.

9 2. "Designated producer" means the individual insurance producer  
10 that a business entity designates pursuant to section 20-285, subsection  
11 C, paragraph 3 as the individual responsible for the business entity's  
12 compliance with the insurance laws of this state.

13 3. "Health or sickness insurance" means disability insurance as  
14 defined in section 20-253.

15 4. "Home state" means the District of Columbia and any state or  
16 territory of the United States in which:

17 (a) An individual insurance producer maintains a principal place of  
18 residence or principal place of business and is licensed to act as a  
19 resident insurance producer.

20 (b) A business entity insurance producer maintains its principal  
21 place of business and is licensed to act as a resident insurance producer.

22 5. "Insurance producer" means a person required to be licensed  
23 under this article to sell, solicit or negotiate insurance.

24 6. "Limited line credit insurance" means any form of insurance that  
25 is offered in connection with an extension of credit and that is limited  
26 to partially or wholly extinguishing that credit obligation, including  
27 credit life, credit disability, credit property, credit unemployment,  
28 involuntary unemployment, mortgage life, mortgage guaranty, mortgage  
29 disability, guaranteed asset or automobile protection insurance and any  
30 other form of insurance that is offered in connection with an extension of  
31 credit, that is limited to partially or wholly extinguishing that credit  
32 obligation and that the director determines should be designated a form of  
33 limited line credit insurance.

34 7. "Limited line insurance" means limited line credit insurance,  
35 limited line crop insurance, limited lines travel insurance under section  
36 ~~20-333~~ 20-3503 and any other line of insurance that the director deems  
37 necessary to recognize for the purposes of complying with section 20-287,  
38 subsection C, paragraph 2.

39 8. "Major line insurance" means life insurance, accident and health  
40 or sickness insurance, property insurance, casualty insurance, personal  
41 lines insurance and variable insurance contracts, as described in section  
42 20-286.

43 9. "Member" means, if used in reference to a business entity, a  
44 person that holds an ownership interest in the business entity, excluding

1 any interest in publicly traded securities and any interest of less than  
2 ten percent of the voting rights.

3 10. "Negotiate" means the act of conferring directly with or  
4 offering advice directly to a purchaser or prospective purchaser of a  
5 particular contract of insurance concerning any of the substantive  
6 benefits, terms or conditions of the contract if the person engaged in  
7 that act either sells insurance or obtains insurance from insurers for  
8 purchasers.

9 11. "Nonresident" means a person whose home state is not Arizona.

10 12. "Person" means an individual or a business entity.

11 13. "Resident" means a person whose home state is Arizona and who  
12 does not hold a resident insurance producer license in another state or  
13 territory of the United States or in the District of Columbia.

14 14. "Sell" means to exchange a contract of insurance by any means,  
15 for money or its equivalent, on behalf of an insurer.

16 15. "Solicit" means attempting to sell insurance or asking or urging  
17 a person to apply for a particular kind of insurance from a particular  
18 company.

19 Sec. 2. Title 20, Arizona Revised Statutes, is amended by adding  
20 chapter 28, to read:

21 CHAPTER 28

22 TRAVEL INSURANCE

23 ARTICLE 1. GENERAL PROVISIONS

24 20-3501. Definitions

25 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

26 1. "AGGREGATOR SITE" MEANS A WEBSITE THAT PROVIDES ACCESS TO  
27 INFORMATION REGARDING INSURANCE PRODUCTS FROM MORE THAN ONE INSURER,  
28 INCLUDING PRODUCT AND INSURER INFORMATION, FOR USE IN COMPARISON SHOPPING.

29 2. "BLANKET TRAVEL INSURANCE" MEANS A POLICY OF TRAVEL INSURANCE  
30 THAT IS ISSUED TO ANY ELIGIBLE GROUP AND THAT PROVIDES COVERAGE FOR  
31 SPECIFIC CLASSES OF PERSONS DEFINED IN THE POLICY WITH COVERAGE PROVIDED  
32 TO ALL MEMBERS OF THE ELIGIBLE GROUP WITHOUT A SEPARATE CHARGE TO  
33 INDIVIDUAL MEMBERS OF THE ELIGIBLE GROUP.

34 3. "CANCELLATION FEE WAIVER":

35 (a) MEANS A CONTRACTUAL AGREEMENT BETWEEN A SUPPLIER OF TRAVEL  
36 SERVICES AND ITS CUSTOMER TO WAIVE SOME OR ALL OF THE NONREFUNDABLE  
37 CANCELLATION FEE PROVISIONS OF THE SUPPLIER'S UNDERLYING TRAVEL CONTRACT  
38 WITH OR WITHOUT REGARD TO THE REASON FOR THE CANCELLATION OR FORM OF  
39 REIMBURSEMENT.

40 (b) DOES NOT MEAN INSURANCE.

41 4. "ELIGIBLE GROUP", SOLELY FOR THE PURPOSES OF TRAVEL INSURANCE:

42 (a) MEANS TWO OR MORE PERSONS WHO ARE ENGAGED IN A COMMON  
43 ENTERPRISE OR WHO HAVE AN ECONOMIC, EDUCATIONAL OR SOCIAL AFFINITY OR  
44 RELATIONSHIP.

- 1 (b) INCLUDES ANY OF THE FOLLOWING:
- 2 (i) AN ENTITY THAT IS ENGAGED IN THE BUSINESS OF PROVIDING TRAVEL
- 3 OR TRAVEL SERVICES, INCLUDING TOUR OPERATORS, LODGING PROVIDERS, VACATION
- 4 PROPERTY OWNERS, HOTELS AND RESORTS, TRAVEL CLUBS, TRAVEL AGENCIES,
- 5 PROPERTY MANAGERS, CULTURAL EXCHANGE PROGRAMS AND COMMON CARRIERS, OR THE
- 6 OPERATOR, OWNER OR LESSOR OF A MEANS OF TRANSPORTATION OF PASSENGERS,
- 7 INCLUDING AIRLINES, CRUISE LINES, RAILROADS, STEAMSHIP COMPANIES AND
- 8 PUBLIC BUS CARRIERS, WHEREIN WITH REGARD TO ANY PARTICULAR TRAVEL OR TYPE
- 9 OF TRAVEL OR TRAVELERS, ALL MEMBERS OR CUSTOMERS OF THE GROUP HAVE A
- 10 COMMON EXPOSURE TO RISK ATTENDANT TO THAT TRAVEL.
- 11 (ii) ANY COLLEGE, SCHOOL OR OTHER INSTITUTION OF LEARNING COVERING
- 12 STUDENTS, TEACHERS, EMPLOYEES OR VOLUNTEERS.
- 13 (iii) ANY EMPLOYER COVERING ANY GROUP OF EMPLOYEES, VOLUNTEERS,
- 14 CONTRACTORS, BOARD OF DIRECTORS, DEPENDENTS OR GUESTS.
- 15 (iv) ANY SPORTS TEAM OR CAMP OR ANY SPONSOR OF A SPORTS TEAM OR
- 16 CAMP COVERING PARTICIPANTS, MEMBERS, CAMPERs, EMPLOYEES, OFFICIALS,
- 17 SUPERVISORS OR VOLUNTEERS.
- 18 (v) ANY RELIGIOUS, CHARITABLE, RECREATIONAL, EDUCATIONAL OR CIVIC
- 19 ORGANIZATION OR ANY BRANCH OF THAT ORGANIZATION COVERING ANY GROUP OF
- 20 MEMBERS, PARTICIPANTS OR VOLUNTEERS.
- 21 (vi) ANY FINANCIAL INSTITUTION, FINANCIAL INSTITUTION VENDOR OR
- 22 PARENT HOLDING COMPANY, TRUSTEE OR AGENT OF OR DESIGNATED BY ONE OR MORE
- 23 FINANCIAL INSTITUTIONS OR FINANCIAL INSTITUTION VENDORS, INCLUDING ACCOUNT
- 24 HOLDERS, CREDIT CARD HOLDERS, DEBTORS, GUARANTORS OR PURCHASERS.
- 25 (vii) ANY INCORPORATED OR UNINCORPORATED ASSOCIATION, INCLUDING A
- 26 LABOR UNION, THAT HAS A COMMON INTEREST, CONSTITUTION AND BYLAWS AND THAT
- 27 IS ORGANIZED AND MAINTAINED IN GOOD FAITH FOR PURPOSES OTHER THAN
- 28 OBTAINING INSURANCE FOR MEMBERS OR PARTICIPANTS OF THAT ASSOCIATION
- 29 COVERING ITS MEMBERS.
- 30 (viii) ANY TRUST OR THE TRUSTEES OF A FUND ESTABLISHED, CREATED OR
- 31 MAINTAINED FOR THE BENEFIT OF AND COVERING MEMBERS, EMPLOYEES OR
- 32 CUSTOMERS, SUBJECT TO THE DIRECTOR ALLOWING THE USE OF A TRUST AND THE
- 33 STATE'S PREMIUM TAX PROVISIONS IN SECTION 20-3504 OF ONE OR MORE
- 34 ASSOCIATIONS DESCRIBED IN ITEM (vii) OF THIS SUBDIVISION.
- 35 (ix) ANY ENTERTAINMENT PRODUCTION COMPANY COVERING ANY GROUP OF
- 36 PARTICIPANTS, VOLUNTEERS, AUDIENCE MEMBERS, CONTESTANTS OR WORKERS.
- 37 (x) ANY VOLUNTEER FIRE DEPARTMENT, AMBULANCE, RESCUE, POLICE,
- 38 COURT, FIRST AID OR CIVIL DEFENSE GROUP OR ANOTHER SIMILAR VOLUNTEER
- 39 GROUP.
- 40 (xi) ANY PRESCHOOL, DAYCARE INSTITUTION FOR CHILDREN OR ADULTS AND
- 41 SENIOR CITIZEN CLUB.
- 42 (xii) ANY AUTOMOBILE OR TRUCK RENTAL OR LEASING COMPANY COVERING A
- 43 GROUP OF INDIVIDUALS WHO MAY BECOME RENTERS, LESSEES OR PASSENGERS DEFINED
- 44 BY THEIR TRAVEL STATUS ON THE RENTED OR LEASED VEHICLES AND IN WHICH THE

1 COMMON CARRIER, THE OPERATOR, OWNER OR LESSOR OF A MEANS OF TRANSPORTATION  
2 OR THE AUTOMOBILE OR TRUCK RENTAL OR LEASING COMPANY IS THE POLICYHOLDER  
3 UNDER A POLICY TO WHICH THIS CHAPTER APPLIES.

4 (xiii) ANY OTHER GROUP FOR WHICH THE DIRECTOR DETERMINES THAT THE  
5 MEMBERS ARE ENGAGED IN A COMMON ENTERPRISE, OR HAVE AN ECONOMIC,  
6 EDUCATIONAL OR SOCIAL AFFINITY OR RELATIONSHIP, AND THAT ISSUANCE OF THE  
7 POLICY WOULD NOT BE CONTRARY TO THE PUBLIC INTEREST.

8 5. "FULFILLMENT MATERIALS" MEANS DOCUMENTATION THAT IS SENT TO THE  
9 PURCHASER OF A TRAVEL PROTECTION PLAN AND THAT CONFIRMS THE PURCHASE AND  
10 PROVIDES THE TRAVEL PROTECTION PLAN'S COVERAGE AND ASSISTANCE DETAILS.

11 6. "GROUP TRAVEL INSURANCE" MEANS TRAVEL INSURANCE THAT IS ISSUED  
12 TO ANY ELIGIBLE GROUP.

13 7. "LIMITED LINES TRAVEL INSURANCE PRODUCER" MEANS ANY OF THE  
14 FOLLOWING:

15 (a) A LICENSED MANAGING GENERAL AGENT OR THIRD-PARTY ADMINISTRATOR.

16 (b) A LICENSED INSURANCE PRODUCER, INCLUDING A LIMITED LINES  
17 PRODUCER.

18 (c) A TRAVEL ADMINISTRATOR.

19 8. "OFFER AND DISSEMINATE" MEANS PROVIDING GENERAL INFORMATION,  
20 INCLUDING A DESCRIPTION OF THE COVERAGE AND PRICE, PROCESSING AN  
21 APPLICATION AND COLLECTING PREMIUMS.

22 9. "TRAVEL ADMINISTRATOR":

23 (a) MEANS A PERSON WHO DIRECTLY OR INDIRECTLY UNDERWRITES, COLLECTS  
24 CHARGES, COLLATERAL OR PREMIUMS FROM, OR ADJUSTS OR SETTLES CLAIMS ON  
25 RESIDENTS OF THIS STATE IN CONNECTION WITH TRAVEL INSURANCE.

26 (b) DOES NOT INCLUDE A PERSON WHOSE ONLY ACTIONS THAT WOULD  
27 OTHERWISE CAUSE THE PERSON TO BE CONSIDERED A TRAVEL ADMINISTRATOR INCLUDE  
28 THE FOLLOWING:

29 (i) WORKING FOR A TRAVEL ADMINISTRATOR TO THE EXTENT THAT THE  
30 PERSON'S ACTIVITIES ARE SUBJECT TO THE SUPERVISION AND CONTROL OF THE  
31 TRAVEL ADMINISTRATOR.

32 (ii) SELLING INSURANCE OR ENGAGING IN ADMINISTRATIVE AND  
33 CLAIMS-RELATED ACTIVITIES AS AN INSURANCE PRODUCER WITHIN THE SCOPE OF THE  
34 PRODUCER'S LICENSE.

35 (iii) OFFERING AND DISSEMINATING TRAVEL INSURANCE AS A TRAVEL  
36 RETAILER WHILE REGISTERED UNDER THE LICENSE OF A LIMITED LINES TRAVEL  
37 INSURANCE PRODUCER IN ACCORDANCE WITH THIS CHAPTER.

38 (iv) ADJUSTING OR SETTLING CLAIMS IN THE NORMAL COURSE OF PRACTICE  
39 OR EMPLOYMENT AS AN ATTORNEY-AT-LAW WITHOUT COLLECTING CHARGES OR PREMIUMS  
40 IN CONNECTION WITH INSURANCE COVERAGE.

41 (v) BEING A BUSINESS ENTITY THAT IS AFFILIATED WITH A LICENSED  
42 INSURER WHILE ACTING AS A TRAVEL ADMINISTRATOR FOR THE DIRECT AND ASSUMED  
43 INSURANCE BUSINESS OF THE AFFILIATED INSURER.

44 10. "TRAVEL ASSISTANCE SERVICES":

1 (a) MEANS NONINSURANCE SERVICES FOR WHICH THE CONSUMER IS NOT  
2 INDEMNIFIED BASED ON A FORTUITOUS EVENT AND WHERE PROVIDING THE SERVICE  
3 DOES NOT RESULT IN A TRANSFER OR SHIFTING OF RISK THAT WOULD CONSTITUTE  
4 THE BUSINESS OF INSURANCE.

5 (b) INCLUDES:

6 (i) SECURITY ADVISORIES.

7 (ii) DESTINATION INFORMATION.

8 (iii) VACCINATION AND IMMUNIZATION INFORMATION SERVICES.

9 (iv) TRAVEL RESERVATION SERVICES.

10 (v) ENTERTAINMENT.

11 (vi) ACTIVITY AND EVENT PLANNING.

12 (vii) TRANSLATION ASSISTANCE.

13 (viii) EMERGENCY MESSAGING.

14 (ix) INTERNATIONAL LEGAL AND MEDICAL REFERRALS.

15 (x) MEDICAL CASE MONITORING.

16 (xi) COORDINATING TRANSPORTATION ARRANGEMENTS.

17 (xii) EMERGENCY CASH TRANSFER ASSISTANCE.

18 (xiii) MEDICAL PRESCRIPTION REPLACEMENT ASSISTANCE.

19 (xiv) PASSPORT AND TRAVEL DOCUMENT REPLACEMENT ASSISTANCE.

20 (xv) LOST LUGGAGE ASSISTANCE.

21 (xvi) CONCIERGE SERVICES.

22 (xvii) ANY OTHER SERVICE THAT IS PROVIDED IN CONNECTION WITH  
23 PLANNED TRAVEL.

24 (c) DOES NOT MEAN INSURANCE AND IS NOT RELATED TO INSURANCE.

25 11. "TRAVEL INSURANCE":

26 (a) MEANS INSURANCE COVERAGE FOR PERSONAL RISKS INCIDENT TO PLANNED  
27 TRAVEL, INCLUDING:

28 (i) INTERRUPTION OR CANCELLATION OF A TRIP OR EVENT.

29 (ii) LOSS OF BAGGAGE OR PERSONAL EFFECTS.

30 (iii) DAMAGES TO ACCOMMODATIONS OR RENTAL VEHICLES.

31 (iv) SICKNESS, ACCIDENT, DISABILITY OR DEATH OCCURRING DURING  
32 TRAVEL.

33 (v) EMERGENCY EVACUATION.

34 (vi) REPATRIATION OF REMAINS.

35 (vii) ANY OTHER CONTRACTUAL OBLIGATIONS TO INDEMNIFY OR PAY A  
36 SPECIFIED AMOUNT TO A TRAVELER ON DETERMINABLE CONTINGENCIES RELATED TO  
37 TRAVEL AS APPROVED BY THE DIRECTOR.

38 (b) DOES NOT INCLUDE MAJOR MEDICAL PLANS THAT PROVIDE COMPREHENSIVE  
39 MEDICAL PROTECTION FOR TRAVELERS WITH TRIPS LASTING LONGER THAN SIX  
40 MONTHS, SUCH AS THOSE WORKING OR RESIDING OVERSEAS AS AN EXPATRIATE, OR  
41 ANY OTHER PRODUCT THAT REQUIRES A SPECIFIC INSURANCE PRODUCER LICENSE.

42 12. "TRAVEL PROTECTION PLANS" MEANS PLANS THAT PROVIDE ONE OR MORE  
43 OF THE FOLLOWING:

44 (a) TRAVEL INSURANCE.

1 (b) TRAVEL ASSISTANCE SERVICES.

2 (c) CANCELLATION FEE WAIVERS.

3 13. "TRAVEL RETAILER" MEANS A BUSINESS ENTITY THAT MAKES, ARRANGES  
4 OR OFFERS PLANNED TRAVEL AND MAY OFFER AND DISSEMINATE TRAVEL INSURANCE AS  
5 A SERVICE TO ITS CUSTOMERS ON BEHALF OF AND UNDER THE DIRECTION OF A  
6 LIMITED LINES TRAVEL INSURANCE PRODUCER.

7 20-3502. Purpose; applicability

8 A. THE PURPOSE OF THIS CHAPTER IS TO PROMOTE THE PUBLIC WELFARE BY  
9 CREATING A COMPREHENSIVE LEGAL FRAMEWORK WITHIN WHICH TRAVEL INSURANCE MAY  
10 BE SOLD IN THIS STATE.

11 B. THE REQUIREMENTS OF THIS CHAPTER APPLY TO TRAVEL INSURANCE THAT  
12 COVERS ANY RESIDENT OF THIS STATE AND THAT IS SOLD, SOLICITED, NEGOTIATED  
13 OR OFFERED IN THIS STATE AND TO POLICIES AND CERTIFICATES THAT ARE  
14 DELIVERED OR ISSUED FOR DELIVERY IN THIS STATE. THIS CHAPTER DOES NOT  
15 APPLY TO CANCELLATION FEE WAIVERS OR TRAVEL ASSISTANCE SERVICES EXCEPT AS  
16 EXPRESSLY PROVIDED IN THIS CHAPTER.

17 C. ALL OTHER APPLICABLE PROVISIONS OF THIS STATE'S INSURANCE LAWS  
18 CONTINUE TO APPLY TO TRAVEL INSURANCE EXCEPT THAT THE SPECIFIC PROVISIONS  
19 OF THIS CHAPTER SUPERSEDE ANY GENERAL PROVISIONS OF LAW THAT WOULD  
20 OTHERWISE BE APPLICABLE TO TRAVEL INSURANCE.

21 Sec. 3. Section 20-333, Arizona Revised Statutes, is transferred  
22 and renumbered for placement in title 20, chapter 28, article 1, Arizona  
23 Revised Statutes, as added by this act, as section 20-3503 and, as so  
24 renumbered, is amended to read:

25 20-3503. Travel insurance producer licensing

26 A. Notwithstanding any other provision of this title, a travel  
27 retailer may offer and issue travel insurance under a limited lines travel  
28 insurance producer business entity license under the following conditions:

29 1. The limited lines travel insurance producer or travel retailer  
30 provides to purchasers of travel insurance all of the following:

31 (a) A description of the material terms or the actual material  
32 terms of the insurance coverage.

33 (b) A description of the process for filing a claim.

34 (c) A description of the review or cancellation process for the  
35 travel insurance policy.

36 (d) The identity and contact information of the insurer and limited  
37 lines travel insurance producer.

38 2. At the time of licensure, the limited lines travel insurance  
39 producer establishes and maintains a register, on a form prescribed by the  
40 director, of each travel retailer that offers travel insurance on the  
41 limited lines travel insurance producer's behalf. The limited lines  
42 travel insurance producer shall maintain and annually update the register,  
43 which shall include the name, address and contact information of the  
44 travel retailer and an officer or person who directs or controls the

1 travel retailer's operations, and the travel retailer's federal tax  
2 identification number. The limited lines travel insurance producer shall  
3 submit the register to the department within thirty days after a request.  
4 The limited lines travel insurance producer shall also certify to the  
5 department that the registered travel retailer is not in violation of 18  
6 United States Code section 1033.

7 3. The limited lines travel insurance producer designates one of  
8 the producer's employees who is a licensed individual producer as the  
9 person responsible for the limited lines travel insurance producer's  
10 compliance with the travel insurance laws and rules of this state.

11 4. The licensed individual producer designated under paragraph 3 of  
12 this subsection complies with the fingerprinting requirements applicable  
13 to insurance producers in the resident state of the limited lines travel  
14 insurance producer.

15 5. The limited lines travel insurance producer pays all applicable  
16 insurance producer licensing fees required under this title.

17 6. The limited lines travel insurance producer requires each  
18 employee or authorized representative of the travel retailer whose duties  
19 include offering and disseminating travel insurance to receive a training  
20 or an instruction program, which may be subject to review by the  
21 director. The training material, at a minimum, shall contain instructions  
22 on the types of insurance offered, ethical sales practices and required  
23 disclosures to prospective customers.

24 B. Limited lines travel insurance producers and those registered  
25 under the producer's license are exempt from the examination requirements  
26 under ~~this~~ chapter 2 OF THIS TITLE and the continuing education  
27 requirements under chapter 18 of this title.

28 C. Any travel retailer offering or disseminating travel insurance  
29 shall make available to prospective purchasers brochures or other written  
30 materials that:

31 1. Provide the identity and contact information of the insurer and  
32 the limited lines travel insurance producer.

33 2. Explain that the purchase of travel insurance is not required in  
34 order to purchase any other product or service from the travel retailer.

35 3. Explain that an unlicensed travel retailer is ~~permitted~~ ALLOWED  
36 to provide general information about the insurance offered by the travel  
37 retailer, including a description of the coverage and price, but is not  
38 qualified or authorized to answer technical questions about the terms and  
39 conditions of the insurance offered by the travel retailer or to evaluate  
40 the adequacy of the customer's existing insurance coverage.

41 D. A travel retailer's employee or authorized representative who is  
42 not licensed as an insurance producer may not do any of the following:

43 1. Evaluate or interpret the technical terms, benefits and  
44 conditions of the offered travel insurance coverage.



1           2. Evaluate or provide advice concerning a prospective purchaser's  
2 existing insurance coverage.

3           3. Hold himself out as a licensed insurer, licensed producer or  
4 insurance expert.

5           E. A travel retailer whose insurance-related activities, and those  
6 of the retailer's employees and authorized representatives, are limited to  
7 offering and disseminating travel insurance under the limitations of this  
8 section may receive related compensation on registration by the limited  
9 lines travel insurance producer pursuant to subsection A, paragraph 2 of  
10 this section.

11          F. Travel insurance may be provided under an individual policy or  
12 under a group or master policy.

13          G. As the insurer designee, the limited lines travel insurance  
14 producer is responsible for the acts of the travel retailer and shall use  
15 reasonable means to ensure compliance by the travel retailer with the  
16 requirements of this section.

17          H. To the extent not inconsistent with this ~~article~~ CHAPTER,  
18 section 20-281, section 20-286, subsections B, C and D, sections 20-289  
19 and 20-289.01, section 20-290, subsection A and sections 20-291, 20-292,  
20 20-295, 20-296, 20-297, 20-298, 20-299, 20-301 and 20-302 apply to a  
21 limited lines travel insurance producer and any travel retailer offering  
22 and disseminating travel insurance under the limited lines travel  
23 insurance producer business entity license.

24           ~~1. For the purposes of this section:~~

25           ~~1. "Limited lines travel insurance producer" means a business~~  
26 ~~entity that is either:~~

27           ~~(a) A managing general agent.~~

28           ~~(b) A licensed insurance producer, including a limited lines~~  
29 ~~producer, designated by an insurer as the travel insurance supervising~~  
30 ~~entity.~~

31           ~~2. "Offer and disseminate" means providing general information,~~  
32 ~~including a description of the coverage and price, as well as processing~~  
33 ~~the application, collecting premiums and performing other nonlicensable~~  
34 ~~activities permitted by the department.~~

35           ~~3. "Travel insurance":~~

36           ~~(a) Means insurance coverage for personal risks incident to planned~~  
37 ~~travel, including:~~

38           ~~(i) Interruption or cancellation of a trip or event.~~

39           ~~(ii) Loss of baggage or personal effects.~~

40           ~~(iii) Damages to accommodations or rental vehicles.~~

41           ~~(iv) Sickness, accident, disability or death occurring during~~  
42 ~~travel.~~

43           ~~(b) Does not include major medical plans, which provide~~  
44 ~~comprehensive medical protection for travelers with trips lasting six~~

1 ~~months or longer, including those working overseas as expatriates or~~  
2 ~~military personnel being deployed.~~

3 ~~4. "Travel retailer" means a business entity that makes, arranges~~  
4 ~~or offers travel services and that may offer and disseminate travel~~  
5 ~~insurance as a service to its customers on behalf of and under the~~  
6 ~~direction of a limited lines travel insurance producer.~~

7 Sec. 4. Title 20, chapter 28, article 1, Arizona Revised Statutes,  
8 is amended by adding sections 20-3504, 20-3505, 20-3506, 20-3507 and  
9 20-3508, to read:

10 20-3504. Premium tax; definitions

11 A. A TRAVEL INSURER SHALL PAY PREMIUM TAX AS PROVIDED IN SECTION  
12 20-224 ON TRAVEL INSURANCE PREMIUMS PAID BY ANY OF THE FOLLOWING:

13 1. AN INDIVIDUAL PRIMARY POLICYHOLDER WHO IS A RESIDENT OF THIS  
14 STATE.

15 2. A PRIMARY CERTIFICATE HOLDER WHO IS A RESIDENT OF THIS STATE AND  
16 WHO ELECTS COVERAGE UNDER A GROUP TRAVEL INSURANCE POLICY.

17 3. A BLANKET TRAVEL INSURANCE POLICYHOLDER THAT IS A RESIDENT IN  
18 THIS STATE, OR HAS ITS PRINCIPAL PLACE OF BUSINESS OR THE PRINCIPAL PLACE  
19 OF BUSINESS OF AN AFFILIATE OR SUBSIDIARY THAT HAS PURCHASED BLANKET  
20 TRAVEL INSURANCE IN THIS STATE FOR ELIGIBLE BLANKET GROUP MEMBERS, SUBJECT  
21 TO ANY APPORTIONMENT RULES THAT APPLY TO THE INSURER ACROSS MULTIPLE  
22 TAXING JURISDICTIONS OR THAT ALLOW THE INSURER TO ALLOCATE PREMIUM ON AN  
23 APPORTIONED BASIS IN A REASONABLE AND EQUITABLE MANNER IN THOSE  
24 JURISDICTIONS.

25 B. A TRAVEL INSURER SHALL:

26 1. DOCUMENT THE STATE OF RESIDENCE OR PRINCIPAL PLACE OF BUSINESS  
27 OF THE POLICYHOLDER OR CERTIFICATE HOLDER AS REQUIRED IN SUBSECTION A OF  
28 THIS SECTION.

29 2. REPORT AS PREMIUM ONLY THE AMOUNT ALLOCABLE TO TRAVEL INSURANCE  
30 AND NOT ANY AMOUNTS RECEIVED FOR TRAVEL ASSISTANCE SERVICES OR  
31 CANCELLATION FEE WAIVERS.

32 C. FOR THE PURPOSES OF THIS SECTION:

33 1. "PRIMARY CERTIFICATE HOLDER" MEANS AN INDIVIDUAL WHO ELECTS AND  
34 WHO PURCHASES TRAVEL INSURANCE UNDER A GROUP POLICY.

35 2. "PRIMARY POLICYHOLDER" MEANS AN INDIVIDUAL WHO ELECTS AND WHO  
36 PURCHASES INDIVIDUAL TRAVEL INSURANCE.

37 20-3505. Travel protection plans

38 TRAVEL PROTECTION PLANS MAY BE OFFERED FOR ONE PRICE FOR THE  
39 COMBINED FEATURES THAT THE TRAVEL PROTECTION PLAN OFFERS IN THIS STATE IF  
40 BOTH:

41 1. THE TRAVEL PROTECTION PLAN CLEARLY DISCLOSES TO THE CONSUMER, AT  
42 OR BEFORE THE TIME OF PURCHASE, THAT IT INCLUDES TRAVEL INSURANCE, TRAVEL  
43 ASSISTANCE SERVICES AND CANCELLATION FEE WAIVERS, AS APPLICABLE, AND  
44 PROVIDES INFORMATION AND AN OPPORTUNITY, AT OR BEFORE THE TIME OF

1 PURCHASE, FOR THE CONSUMER TO OBTAIN ADDITIONAL INFORMATION REGARDING THE  
2 FEATURES AND PRICING OF EACH.

3 2. THE FULFILLMENT MATERIALS BOTH:

4 (a) DESCRIBE AND DELINEATE THE TRAVEL INSURANCE, TRAVEL ASSISTANCE  
5 SERVICES AND CANCELLATION FEE WAIVERS IN THE TRAVEL PROTECTION PLAN.

6 (b) INCLUDE THE TRAVEL INSURANCE DISCLOSURES AND THE CONTACT  
7 INFORMATION FOR PERSONS PROVIDING TRAVEL ASSISTANCE SERVICES AND  
8 CANCELLATION FEE WAIVERS, AS APPLICABLE.

9 20-3506. Sales practices: definition

10 A. ALL PERSONS OFFERING TRAVEL INSURANCE TO RESIDENTS OF THIS STATE  
11 ARE SUBJECT TO CHAPTER 2, ARTICLE 6 OF THIS TITLE RELATING TO UNFAIR TRADE  
12 PRACTICES AND FRAUDS, EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION. IF A  
13 CONFLICT EXISTS BETWEEN THIS CHAPTER AND ANOTHER PROVISION OF THIS TITLE  
14 REGARDING THE SALE AND MARKETING OF TRAVEL INSURANCE AND TRAVEL PROTECTION  
15 PLANS, THIS CHAPTER CONTROLS.

16 B. OFFERING OR SELLING A TRAVEL INSURANCE POLICY THAT COULD NEVER  
17 RESULT IN PAYMENT OF ANY CLAIMS FOR ANY INSURED UNDER THE POLICY IS AN  
18 UNFAIR TRADE PRACTICE UNDER CHAPTER 2, ARTICLE 6 OF THIS TITLE.

19 C. ALL DOCUMENTS PROVIDED TO CONSUMERS BEFORE THE PURCHASE OF  
20 TRAVEL INSURANCE, INCLUDING SALES MATERIALS, ADVERTISING MATERIALS AND  
21 MARKETING MATERIALS, SHALL BE CONSISTENT WITH THE TRAVEL INSURANCE POLICY  
22 ITSELF, INCLUDING FORMS, ENDORSEMENTS, POLICIES, RATE FILINGS AND  
23 CERTIFICATES OF INSURANCE.

24 D. FOR TRAVEL INSURANCE POLICIES OR CERTIFICATES THAT CONTAIN  
25 PREEXISTING CONDITION EXCLUSIONS, INFORMATION AND AN OPPORTUNITY TO LEARN  
26 MORE ABOUT THE PREEXISTING CONDITION EXCLUSIONS SHALL BE PROVIDED ANY TIME  
27 BEFORE THE TIME OF PURCHASE AND IN THE COVERAGE'S FULFILLMENT MATERIALS.

28 E. THE FULFILLMENT MATERIALS AND THE INFORMATION DESCRIBED IN  
29 SECTION 20-3503, SUBSECTION A, PARAGRAPH 1 SHALL BE PROVIDED TO A  
30 POLICYHOLDER OR CERTIFICATE HOLDER AS SOON AS PRACTICABLE FOLLOWING THE  
31 PURCHASE OF A TRAVEL PROTECTION PLAN. UNLESS THE INSURED HAS EITHER  
32 STARTED A COVERED TRIP OR FILED A CLAIM UNDER THE TRAVEL INSURANCE  
33 COVERAGE, A POLICYHOLDER OR CERTIFICATE HOLDER MAY CANCEL A POLICY OR  
34 CERTIFICATE FOR A FULL REFUND OF THE TRAVEL PROTECTION PLAN PRICE FROM THE  
35 DATE OF PURCHASE OF THE TRAVEL PROTECTION PLAN UNTIL AT LEAST EITHER:

36 1. FIFTEEN DAYS AFTER THE DATE OF DELIVERY OF THE TRAVEL PROTECTION  
37 PLAN'S FULFILLMENT MATERIALS BY POSTAL MAIL.

38 2. TEN DAYS AFTER THE DATE OF DELIVERY OF THE TRAVEL PROTECTION  
39 PLAN'S FULFILLMENT MATERIALS BY MEANS OTHER THAN POSTAL MAIL.

40 F. THE POLICY DOCUMENTATION AND FULFILLMENT MATERIALS SHALL  
41 DISCLOSE WHETHER THE TRAVEL INSURANCE IS PRIMARY OR SECONDARY TO OTHER  
42 APPLICABLE COVERAGE.

43 G. IF TRAVEL INSURANCE IS MARKETED DIRECTLY TO A CONSUMER THROUGH  
44 AN INSURER'S WEBSITE OR BY OTHERS THROUGH AN AGGREGATOR SITE, IT IS NOT AN

1 UNFAIR TRADE PRACTICE OR OTHER VIOLATION OF LAW IF AN ACCURATE SUMMARY OR  
2 SHORT DESCRIPTION OF THE COVERAGE IS PROVIDED ON THE WEBSITE AND THE  
3 CONSUMER HAS ACCESS TO THE FULL PROVISIONS OF THE POLICY THROUGH  
4 ELECTRONIC MEANS.

5 H. A PERSON MAY NOT OFFER, SOLICIT OR NEGOTIATE TRAVEL INSURANCE OR  
6 TRAVEL PROTECTION PLANS ON AN INDIVIDUAL OR GROUP BASIS BY USING A  
7 NEGATIVE OR OPT OUT OPTION THAT REQUIRES A CONSUMER TO TAKE AN AFFIRMATIVE  
8 ACTION TO DESELECT COVERAGE, SUCH AS UNCHECKING A BOX ON AN ELECTRONIC  
9 FORM, WHEN THE CONSUMER PURCHASES A TRIP.

10 I. IT IS AN UNFAIR TRADE PRACTICE TO MARKET BLANKET TRAVEL  
11 INSURANCE COVERAGE AS FREE.

12 J. IF A CONSUMER'S DESTINATION JURISDICTION REQUIRES INSURANCE  
13 COVERAGE, IT IS NOT AN UNFAIR TRADE PRACTICE TO REQUIRE THAT A CONSUMER  
14 CHOOSE BETWEEN THE FOLLOWING OPTIONS AS A CONDITION OF PURCHASING A TRIP  
15 OR TRAVEL PACKAGE:

16 1. PURCHASING THE COVERAGE REQUIRED BY THE DESTINATION JURISDICTION  
17 THROUGH THE TRAVEL RETAILER OR LIMITED LINES TRAVEL INSURANCE PRODUCER  
18 SUPPLYING THE TRIP OR TRAVEL PACKAGE.

19 2. AGREEING TO OBTAIN AND PROVIDE PROOF OF COVERAGE THAT MEETS THE  
20 DESTINATION JURISDICTION'S REQUIREMENTS BEFORE DEPARTURE.

21 K. FOR THE PURPOSES OF THIS SECTION, "DELIVERY" MEANS HANDING  
22 FULFILLMENT MATERIALS TO THE POLICYHOLDER OR CERTIFICATE HOLDER OR SENDING  
23 FULFILLMENT MATERIALS BY POSTAL MAIL OR ELECTRONIC MEANS TO THE  
24 POLICYHOLDER OR CERTIFICATE HOLDER.

25 20-3507. Travel administrators

26 A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, A PERSON MAY  
27 NOT ACT OR REPRESENT ITSELF AS TRAVEL ADMINISTRATOR FOR TRAVEL INSURANCE  
28 IN THIS STATE UNLESS THAT PERSON EITHER:

29 1. IS A LICENSED PROPERTY AND CASUALTY INSURANCE PRODUCER IN THIS  
30 STATE FOR ACTIVITIES ALLOWED UNDER THAT PRODUCER LICENSE.

31 2. HOLDS A VALID MANAGING GENERAL AGENT LICENSE IN THIS STATE.

32 B. A TRAVEL ADMINISTRATOR AND ITS EMPLOYEES ARE EXEMPT FROM THE  
33 LICENSING REQUIREMENTS OF CHAPTER 2, ARTICLE 3.2 OF THIS TITLE FOR TRAVEL  
34 INSURANCE IT ADMINISTERS.

35 C. AN INSURER THAT UNDERWRITES TRAVEL INSURANCE IS RESPONSIBLE FOR  
36 THE ACTS OF THE TRAVEL ADMINISTRATOR ADMINISTERING THAT TRAVEL INSURANCE,  
37 ENSURING THAT THE TRAVEL ADMINISTRATOR MAINTAINS ALL BOOKS AND RECORDS  
38 RELEVANT TO THE INSURER AND ENSURING THAT THE TRAVEL ADMINISTRATOR MAKES  
39 THE BOOKS AND RECORDS AVAILABLE TO THE DIRECTOR ON REQUEST.

40 20-3508. Classification

41 A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, TRAVEL  
42 INSURANCE IS CLASSIFIED AND FILED FOR PURPOSES OF RATES AND FORMS UNDER AN  
43 INLAND MARINE LINE OF INSURANCE, EXCEPT THAT TRAVEL INSURANCE THAT  
44 PROVIDES COVERAGE FOR SICKNESS, ACCIDENT, DISABILITY OR DEATH OCCURRING

1 DURING TRAVEL, EITHER EXCLUSIVELY OR IN CONJUNCTION WITH RELATED COVERAGES  
2 OF EMERGENCY EVACUATION OR REPATRIATION OF REMAINS, MAY BE FILED UNDER  
3 EITHER AN ACCIDENT AND HEALTH LINE OF INSURANCE OR AN INLAND MARINE LINE  
4 OF INSURANCE.

5 B. TRAVEL INSURANCE MAY BE IN THE FORM OF AN INDIVIDUAL, GROUP OR  
6 BLANKET POLICY.

7 C. ELIGIBILITY AND UNDERWRITING STANDARDS FOR TRAVEL INSURANCE MAY  
8 BE DEVELOPED AND PROVIDED BASED ON TRAVEL PROTECTION PLANS THAT ARE  
9 DESIGNED FOR INDIVIDUAL OR IDENTIFIED MARKETING OR DISTRIBUTION CHANNELS,  
10 IF THOSE STANDARDS ALSO MEET THIS STATE'S UNDERWRITING STANDARDS FOR  
11 INLAND MARINE.

12 Sec. 5. Short title

13 Title 20, chapter 28, Arizona Revised Statutes, as added by this  
14 act, may be cited as the "Travel Insurance Model Act".